



**North Carolina Department of Health and Human Services  
Division of Child Development**

319 Chapanoke Road • P. O. Box 29553 • Raleigh, NC 27626-0553

Telephone Number: (919) 662-4499 • Fax: (919) 662-4570

Courier Number 56-20-17

James B. Hunt Jr., Governor  
H. David Bruton, M.D., Secretary

Stephanie D. Fanjul, Director  
Peggy M. Ball, Deputy Director

**MEMORANDUM**

**TO:** County DSS Directors

**FROM:** Stephanie Fanjul, Director, Division of Child Development  
Kevin FitzGerald, Director, Division of Social Services

**DATE:** February 12, 1999

**SUBJECT:** Spending Work First Block Grant Funding for Child Care

Handwritten signatures of Stephanie Fanjul and Kevin FitzGerald in black ink.

Several counties have called recently asking for the fastest way to begin using some of their county Work First block grant for child care. If your county needs to spend block grant funds to increase spending of local MOE funds, we suggest that you identify the children of Work First recipients who are currently receiving child care services and for whom you are receiving reimbursement through the Subsidized Child Care (SCC) system. These are children with category codes 005, 006 or 055 in the SCC system. You will then be able to claim reimbursement for your payments for child care for these children through the DSS-1571 system and charge it to your Work First Block Grant.

For claims submitted in February, your staff will need to switch the children to inactive status (status code 5) in the SCC system to avoid being reimbursed for them through both systems. We are working to install a unique fund source which will identify these children, provide you with the amount to claim through the 1571 system each month, and automatically deduct their payments from the SCC system claim. We hope to have this function operational in March.

The advantages to leaving these children listed in the SCC system are: (1) the system will calculate the amount of the provider's payment for you, (2) DCD can continue to provide you with information about child care subsidy expenditures and child counts each month and (3) reimbursement for the child care can easily be switched back to your child care allocation once you have met your local MOE requirement or if the family's situation changes so that they are no longer eligible for Work First funding.



Because paying for these children with Work First block grant funds removes them from the subsidized child care funding pool which allows a for-profit child care provider to participate in the Child and Adult Care Food Program, you will need to claim a dollar (\$1) of the child's payment in the SSC system's fund source 25 for certain child care providers.

Switching reimbursement for Work First children to your local block grant may also free up funding from your child care allocations which can be used to serve children from your waiting list.

Please contact your DCD services consultant if you need help with this process. They can provide additional information to help you identify the Work First children currently receiving child care assistance, if necessary.

If you want to spend some Work First block grant funds for child care for reasons that do not include meeting local MOE requirements, we ask that you state your request in writing and describe the situation you need to address. Send copies of your request to both of us. We will work with you individually to effect a solution which addresses that need.

cc: County Day Care Coordinator  
Local Support Manager  
DCD Services Consultant